

TR 11

Facts

A foreign group of companies is planning to restructure a number of subsidiaries worldwide under a Mauritian offshore holding company and wishes to ensure maximum foreign tax credit available against the Mauritian tax liability.

Point at issue

Whether the pooling of foreign tax credit available to a taxpayer under Regulation 6 (3) (a) of the Income Tax (Foreign Tax Credit) Regulations 1996 includes both actual tax paid and deemed tax under Regulation 9 and the aggregate amount will be available for offset against the Mauritian tax liability.

Ruling

The pooling of foreign tax credit available to a taxpayer under Regulation 6 (3)(a) of the Income Tax (Foreign Tax Credit) Regulations 1996 includes both actual tax paid and deemed tax under Regulation 9. The aggregate amount will therefore be available for offset against the Mauritian tax liability.